

AGENCY AGREEMENT

December 20, 2024

Falco Resources Ltd.
Suite 300 1100 Canadiens-de-Montreal
Montreal, Quebec H3B 2S2

Attention: Luc Lessard
President, Chief Executive Officer and Director

Dear Sir:

Cantor Fitzgerald Canada Corporation, as sole agent and bookrunner (the "**Agent**"), understands that Falco Resources Ltd. (the "**Company**") proposes to issue and sell, on a "best efforts" basis and without underwriter liability, up to 20,000,000 units of the Company (the "**Units**") at a price of \$0.25 per Unit (the "**Subscription Price**"). The offering of the Units is referred to herein as the "**Offering**".

Each Unit consists of one Common Share (as defined herein) (a "**Unit Share**") and one Common Share purchase warrant of the Company (a "**Warrant**"). Each Warrant shall entitle the holder thereof to acquire one additional Common Share (a "**Warrant Share**") at a price of \$0.35 per Warrant Share until the Expiry Time (as defined herein). The Warrants shall be issued and governed pursuant to the terms of the Warrant Indenture (as defined herein).

Upon and subject to the terms and conditions set forth herein, the Company hereby appoints the Agent, and the Agent hereby agrees to act, as agent to the Company to effect the Offering on a "best efforts" private placement basis to Purchasers (as hereinafter defined) as described below.

The Agent has been granted an option (the "**Option**"), which Option may be exercised, in whole or in part, at the Agent's sole discretion and without obligation, to offer and sell on behalf of the Company up to 4,000,000 additional Units at the Subscription Price, for additional aggregate gross proceeds to the Company of up to \$1,000,000. The Option shall be exercisable by the Agent at any time until 48 hours prior to the Closing Time (as defined herein), after which time the Option shall be void and of no further force and effect.

If exercised, any Units issued upon exercise of the Option shall be deemed to form part of the Offering for the purposes hereof. Unless the context otherwise requires, all references to the "**Offering**", "**Units**", "**Unit Shares**", "**Warrants**" and "**Warrant Shares**" shall include any securities issued in connection with the exercise of the Option.

Subject to the terms and conditions hereof, the Agent, acting through its U.S. Affiliate (as defined herein) in accordance with this Agreement, may offer the Units for sale by the Company to, or for the account or benefit of, persons in the United States (as defined herein) or U.S. Persons (as defined herein) that are Qualified Institutional Buyers (as defined herein) or U.S. Accredited Investors (as defined herein), in each case in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act (as defined herein) and applicable U.S. state securities laws, in accordance with the provisions of Schedule "A" hereto, which Schedule forms an integral part of this Agreement.

In consideration of the services to be rendered by the Agent in connection with the Offering, the Company shall, at the Closing Time, pay to the Agent the Commission (as defined herein) and issue and deliver to the Agent the Broker Warrants (as defined herein) each in such amounts and with such terms as set out in

Section 13 hereto. The obligation of the Company to pay the Commission and issue and deliver the Broker Warrants shall arise at the Closing Time and the Commission and the Broker Warrants shall be fully earned by the Agent upon the completion of the Offering.

DEFINITIONS

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

"**Act**" means the *Canada Business Corporations Act*;

"**Actions**" has the meaning ascribed to such term in Section 11 hereof;

"**affiliate**", "**associate**", "**distribution**", "**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto in the *Securities Act* (Quebec) in effect on the date hereof;

"**Affiliates**" means the affiliates of the Agent;

"**Agent**" has the meaning ascribed to such term on the face page of this Agreement;

"**Agent's Counsel**" means Bennett Jones LLP;

"**Agreement**" means this agreement, being the agreement resulting from the acceptance by the Company of the offer made by the Agent hereby;

"**Asset Purchase Agreement**" means the asset purchase agreement dated March 28, 2011, as amended by agreement dated July 29, 2011 and assigned by agreement dated August 22, 2012, among Xstrata Canada Corporation, QMX Gold Corporation and Druk Capital Partners Inc.;

"**Broker Shares**" means the Common Shares issued upon the exercise of the Broker Warrants in accordance with the terms of this Agreement and the Broker Warrant Certificate;

"**Broker Warrant Certificate**" means the certificate evidencing the Broker Warrants and the definitive terms thereof;

"**Broker Warrants**" means the Common Share purchase warrants issued to the Agent pursuant to Section 13(b), with each Broker Warrant exercisable for one Broker Share at a price of \$0.25 per Broker Share, subject to adjustment in accordance with the terms set forth in the Broker Warrant Certificate, until December 20, 2026;

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario or Montreal, Quebec are not open for business;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Closing**" means the completion of the purchase and sale of the Units as contemplated by this Agreement and the Subscription Agreements;

"**Closing Date**" means the day on which the Closing shall occur, being on or before December 20, 2024, or such other date as the Agent and the Company may determine;

"**Closing Time**" means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Agent may determine;

"**Commission**" has the meaning ascribed to such term in Section 13(a) hereof;

"**Common Shares**" means the common shares of the Company;

"**Company**" has the meaning ascribed to such term on the face page of this Agreement;

"**Company Subsidiary**" means Golden Queen Mining Consolidated Ltd., an inactive subsidiary of the Company;

"**Contract**" means any written or oral agreement, indenture, contract, lease, sublease, deed of trust, license, option, or other legally enforceable obligation of or in favour of the applicable Person;

"**Debt Instrument**" means any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Company or the Company Subsidiary is a party or otherwise bound;

"**Employee Plan**" has the meaning ascribed to such term in Section 4(mm) hereof;

"**Environmental Laws**" has the meaning ascribed to such term in Section 4(q)(i) hereof;

"**Expenses**" has the meaning ascribed to such term in Section 11 hereof;

"**Expiry Date**" means December 20, 2029;

"**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date;

"**Financial Information**" means (i) the audited consolidated financial statements of the Company for the years ended June 30, 2024 and 2023, including the notes thereto, together with the report of the auditors thereon; (ii) the unaudited condensed interim consolidated financial statements of the Company for the three months ended September 30, 2024 and 2023, including the notes thereto; and (iii) in the case of each of (i) and (ii), the applicable accompanying management's discussion and analysis of financial condition and results of operations;

"**Glencore**" means Glencore Canada Corporation

"**Glencore Agreement**" means the operating license and indemnity agreement dated January 23, 2024, between Glencore and the Company;

"**Government Official**" means (i) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Entity, (ii) any salaried political party official, elected member of political office or candidate for political office, or (iii) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;

"**Governmental Entity**" means any (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"**Governmental Licenses**" has the meaning ascribed to such term in Section 4(r) hereof;

"**Hazardous Materials**" has the meaning ascribed to such term in Section 4(q)(i) hereof;

"**Horne 5 Project**" means the Company's Horne 5 Gold Project, which comprises all rights to minerals contained at a depth of more than 200 metres below the surface of the mining concession CM-156PTB in Rouyn-Noranda, Québec, Canada, which mining concession is legally owned by a third party;

"**IFRS**" means International Financial Reporting Standards applicable in Canada;

"**including**" means including without limitation;

"**Indemnified Parties**" has the meaning ascribed to such term in Section 11 hereof;

"**Law**" means any federal, provincial, state or municipal law, statute, ordinance, regulation, rule, by-law, judgment, decree, order or award of any Governmental Entity of competent jurisdiction;

"**Leased Premises**" means the premises which are material to the Company or the Company Subsidiary and which the Company or the Company Subsidiary occupies as a tenant;

"**Letter Agreement**" means the letter agreement between the Company and the Agent dated December 8, 2024, and any amendments thereto, relating to the Offering;

"**Liabilities**" has the meaning ascribed to such term in Section 11 hereof;

"**Lien**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, hypothec, pledge, title retention agreement, reservation of title, servitude, right of way, restrictive covenant, right of use or any matter capable of registration against title or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy property or assets;

"**Material Adverse Effect**" means any materially adverse change in or effect on the business, assets or properties, affairs, liabilities (contingent or otherwise), results of operations, capital or condition (financial or otherwise) or prospects of the Company;

"**Material Agreement**" means any material contract, commitment, agreement (written or oral), instrument, lease or other document (including option agreements), including licence agreements and agreements relating to intellectual property, to which the Company or the Company Subsidiary is a party or otherwise bound and which is material to the Company on a consolidated basis;

"**Money Laundering Laws**" has the meaning ascribed to such term in Section 4(ww) hereof;

"**NEO**" has the meaning given to it in Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*;

"**notice**" has the meaning ascribed to such term in Section 14 hereof;

"**ODV Investor Rights Agreement**" means the investor rights agreement dated November 27, 2020 between Osisko Development Corp. and the Company;

"**Offering**" has the meaning ascribed to such term on the face page of this Agreement;

"Offering Documents" means, collectively, this Agreement, the Subscription Agreements, the Warrant Indenture, and the Broker Warrant Certificate;

"OGR Investor Rights Agreement" means the investor rights agreement dated November 27, 2020 between Osisko Gold Royalties Ltd and the Company;

"Osisko Loan" means convertible secured senior loan agreement between Osisko Gold Royalties Ltd and the Company, as may be amended from time to time;

"Permit" means any material regulatory approval, licence, permit, approval, consent, certificates, registration, filing or other authorization of or issued by any Governmental Entity under applicable Laws, including Environmental Laws;

"Person" includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

"Properties" means the mineral properties and projects of the Company and the Company Subsidiary, as of the date hereof, including the Horne 5 Project;

"Public Disclosure Documents" means, collectively, all of the documents which have been filed by or on behalf of the Company prior to the Closing Time with the relevant Securities Regulators in Canada pursuant to the requirements of Securities Laws, including all documents filed on SEDAR+ at www.sedarplus.ca;

"Purchasers" means the persons who, as purchasers or beneficial purchasers, acquire the Units by duly completing, executing and delivering the Subscription Agreements and any other required documentation;

"Qualified Institutional Buyer" means a "qualified institutional buyer" as defined in Rule 144A that is also a U.S. Accredited Investor;

"Rule 144A" means Rule 144A under the U.S. Securities Act;

"Sandstorm Royalty Agreement" means the royalty agreement dated July 29, 2011 between Sandstorm Gold Ltd. (as assignee of BaseCore Metals LP, itself successor of Glencore, which in turn is successor to Xstrata Canada Corporation) and the Company (as assignee to Alexis Minerals Corporation);

"Securities Laws" means all applicable securities laws in the Selling Jurisdiction in Canada and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such provinces and all rules and policies of the TSXV;

"Securities Regulators" means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

"Selling Jurisdiction" means each of the provinces of Canada, the United States and other offshore jurisdictions and if applicable, where the Units are sold;

"Subscription Agreements" means, the subscription agreement in respect of the Units, in the form agreed upon by the Agent and the Company pursuant to which Purchasers agree to subscribe for and purchase Units as applicable pursuant to the Offering as herein contemplated and shall include, for greater certainty, all schedules and exhibits thereto, including the U.S. Accredited Investor Certificates and Qualified Institutional Buyer Letters;

"Subscription Price" has the meaning ascribed to such term on the face page of this Agreement;

"**subsidiary**" and "**subsidiaries**" has the meaning ascribed thereto in the Act;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time;

"**Technical Report**" means the report titled "Feasibility Study Update Horne 5 Gold Project", prepared by BBA Inc., InnovExplo Inc., Golder Associates Ltd., WSP Canada Inc., SNC–Lavalin Stavibel Inc. and Ingénierie RIVVAL Inc., dated April 28, 2021, with an effective date of March 18, 2021;

"**Title Opinion**" has the meaning ascribed to such term in Section 7(1) hereof;

"**Transfer Agent**" means TSX Trust Company in its capacity as transfer agent and registrar of the Company at its principal office in Toronto, Ontario;

"**TSXV**" means the TSX Venture Exchange;

"**Unit Share**" has the meaning ascribed to such term on the face page of this Agreement;

"**Units**" has the meaning ascribed to such term on the face page of this Agreement;

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Accredited Investor**" means an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act;

"**U.S. Affiliate**" means the U.S. registered broker-dealer affiliate of the Agent;

"**U.S. Person**" means a "U.S. person" as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**Warrant**" has the meaning ascribed to such term on the face page of this Agreement;

"**Warrant Indenture**" means the warrant indenture dated the Closing Date between TSX Trust Company and the Company pursuant to which the Warrants will be issued and providing for the definitive terms of the Warrants; and

"**Warrant Shares**" has the meaning ascribed to such term on the face page of this Agreement.

1. TERMS AND CONDITIONS

- (a) **Sale on Exempt Basis.** The Agent will offer and sell the Units in the Selling Jurisdictions by way of a "best efforts" private placement basis and without underwriter liability. The Company understands and agrees that the Agent may not arrange for Purchasers of the Units that are, or are acting for the account or benefit of, persons in the United States or U.S. Persons, and that any offer to purchase the Units in the United States or to a U.S. Person is being made by the Agent, acting through its U.S. Affiliate, in accordance with this Agreement, on a private-placement basis to Qualified Institutional Buyers and/or U.S. Accredited Investors in the United States in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act, and in compliance with similar exemptions under applicable U.S. state securities laws, and in accordance with the provisions of Schedule "A" hereof, it being understood and agreed that such sales do not trigger: (i) any obligation to prepare and file a prospectus, offering memorandum, registration statement or similar disclosure

documents; or (ii) any registration or other obligation on the part of the Company including, but not limited to, any continuing obligation in that jurisdiction.

- (b) **Filings.** The Company agrees to comply with all applicable Securities Laws on a timely basis in connection with the Offering and undertakes to file, or cause to be filed, within the periods stipulated under applicable Securities Laws, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the Units so that the distribution of the Units may lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum in the Selling Jurisdiction, and the Agent undertakes to use commercially reasonable best efforts to cause Purchasers to complete any forms required by Securities Laws. All fees payable in connection with such filings shall be at the expense of the Company.
- (c) **No Offering Memorandum.** Neither the Company nor the Agent shall (i) provide to prospective purchasers of the Units any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Units, including but not limited to, causing the sale of the Units to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Units whose attendees have been invited by general solicitation or advertising.
- (d) **Legends.** The Unit Shares, Warrants, and Broker Warrants shall have attached to them, and the Warrant Shares and the Broker Shares may have attached to them, as applicable, whether through the electronic deposit system of CDS, an ownership statement issued under a direct registration system or other electronic book-entry system, or on physical certificates that may be issued, as applicable, any legends as may be prescribed by CDS in addition to legends substantially in the following form with the necessary information inserted:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **APRIL 21, 2025.**"

- and, if applicable under the policies of the TSXV, the additional legend as follows -

"WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL **APRIL 21, 2025.**"

2. COVENANTS

- (a) **Covenants of the Company.** The Company hereby covenants to the Agent and to the Purchasers and their permitted assigns, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Units, as follows:

- (i) *Exempt Offering.* The Company will use its best efforts to fulfill all legal requirements to permit the creation, issue, offering and sale of the Units in compliance with the Securities Laws, to enable the Units to be offered for sale and sold to the Purchasers, without the necessity of filing a prospectus, a registration statement or an offering memorandum under the applicable Securities Laws through investment dealers or brokers registered under the applicable Securities Laws of the Selling Jurisdictions who have complied with the relevant provisions of such laws.
- (ii) *Due Diligence.* The Company will allow the Agent and its representatives the opportunity to conduct all due diligence which the Agent may reasonably require to be conducted prior to the Closing Date.
- (iii) *Delivery of Offering Documents.* The Company will duly execute and deliver the Offering Documents at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company.
- (iv) *Maintain Corporate Existence.* For a period of at least two years after the Closing Date, the Company shall use its commercially reasonable best efforts to remain a corporation validly subsisting under the laws of its jurisdiction of incorporation, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable Laws, rules and regulations of each such jurisdiction, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company no longer validly subsisting under the laws of its jurisdiction of incorporation so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the rules and policies of the TSXV.
- (v) *Maintain Reporting Issuer Status.* The Company will use its commercially reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Securities Laws in all of the provinces of Canada until the date that is two years following the Closing Date, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be a "reporting issuer" so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the rules and policies of the TSXV.
- (vi) *Maintain Stock Exchange Listing.* The Company will use its commercially reasonable best efforts to maintain the listing of the Common Shares for trading on the TSXV for a period of two years following the Closing Date, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Common Shares ceasing to be listed so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws

and the rules and policies of the TSXV. The Company will ensure that the Unit Shares, Warrant Shares and Broker Shares are conditionally accepted for listing and trading on the TSXV on or prior to the Closing Date.

- (vii) *Validly Issued Unit Shares.* The Company will ensure that the Unit Shares upon issuance shall be duly issued as fully paid and non-assessable Common Shares, and shall have the attributes corresponding to the description thereof set forth in this Agreement and the Subscription Agreements.
- (viii) *Validly Issued Warrants.* The Company will ensure that the Warrants upon issuance shall be duly issued in accordance with the terms of this Agreement and shall have the attributes corresponding to the description thereof set forth in the applicable Offering Documents.
- (ix) *Validly Issued Broker Warrants.* The Company will ensure that the Broker Warrants upon issuance shall be duly issued in accordance with the terms of this Agreement and shall have the attributes corresponding to the description thereof set forth in the applicable Offering Documents.
- (x) *Validly Issued Warrant Shares and Broker Shares.* The Company will ensure that at all times prior to the Expiry Time, a sufficient number of Warrant Shares and Broker Shares are allotted and reserved for issuance. The Warrant Shares, upon issuance in accordance with the terms of the Warrant Indenture and when duly exercised and paid for, shall be issued as fully paid and non-assessable Common Shares and shall have the attributes corresponding to the description thereof set forth in the applicable Offering Documents. The Broker Shares, upon issuance in accordance with the terms of the Broker Warrant Certificate and when duly exercised and paid for, shall be issued as fully paid and non-assessable Common Shares and shall have the attributes corresponding to the description thereof set forth in the applicable Offering Documents.
- (xi) *Consents and Approvals.* The Company will have made or obtained, as applicable, at or prior to the Closing Time, all consents, approvals, Permits, authorizations or filings as may be required by the Company under Securities Laws, including the conditional acceptance for the issuance of the Unit Shares, the Warrants, and Broker Warrants and the reservation and issuance of the Warrant Shares and Broker Shares by the TSXV, necessary for the consummation of the transactions contemplated herein, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Securities Laws and the rules and policies of the TSXV.
- (xii) *Regulatory Filings.* The Company will execute and file with the Securities Regulators and the TSXV all forms, notices and certificates required to be filed by the Company pursuant to the Securities Laws and the rules and policies of the TSXV in the time required by the applicable Securities Laws and the rules and policies of the TSXV, including, for greater certainty, Form 45-106F1 of NI 45-106 and any other forms, notices and certificates set forth in the opinions delivered to the Agent pursuant to the closing conditions set forth in Section 7 hereof.
- (xiii) *Use of Proceeds.* The Company shall use the net proceeds from the Offering for the advancement of the Horne 5 Project and working capital and general corporate purposes.

- (xiv) *Standstill*. The Company will not, directly or indirectly, offer, issue, pledge, sell, contract to sell, grant an option or right in respect of (or agree to or announce any intention to do any of the foregoing) any Common Shares or any securities convertible or exchangeable into Common Shares, for a period of 120 days following the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld, other than pursuant to (i) as contemplated herein, (ii) pursuant to the grant of options or other securities in the normal course pursuant to the Company's employee stock option plan or other equity compensation plan or issuance of securities pursuant to the exercise or conversion, as the case may be, of options or securities of the Company outstanding on the date hereof; (iii) the issuance of equity securities pursuant to the exercise or conversion, as the case may be, of any warrants or other convertible securities of the Company outstanding on the date hereof, (iv) an issuance of options or securities in connection with a bona fide acquisition by the Company, or (v) in connection with the renewal of the senior convertible debts of the Company as announced by the Company on October 7, 2024.
 - (xv) *Lock-Up Agreements*. The Company will use its best efforts to cause each of its executive officers and directors to enter into lock-up agreements in a form satisfactory to the Company and the Agent, in both cases acting reasonably, which shall be negotiated in good faith and contain customary provisions, pursuant to which each such person agrees not to, for a period of 120 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, dispose, transfer, assign, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with (or publicly announce any intention to do any of the foregoing) whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible into, exchangeable for or exercisable to acquire Common Shares, directly or indirectly, without the prior written consent of the Agent, such consent not to be unreasonably withheld, or in accordance with the exceptions as set out in the lock-up agreements.
 - (xvi) *Closing Conditions*. The Company will fulfill or cause to be fulfilled, at or prior to the Closing Date, each of the conditions set out in Section 7 hereof.
- (b) **Covenants of the Agent**. The Agent hereby covenants and agrees: (i) to conduct all activities in connection with the Offering in compliance with applicable Securities Laws and all other laws applicable to the Agent (or an Affiliate of the Agent); (ii) to obtain from each Purchaser a completed and executed Subscription Agreement (including all certifications, forms and other documentation contemplated thereby or as may be required by applicable securities regulatory authorities) in a form acceptable to the Company and the Agent; and (iii) not to solicit, offer, sell, trade, distribute or otherwise do any act in furtherance of a trade of the Unit Shares or Warrants in such manner as to require registration of the Unit Shares or Warrants or the filing of a prospectus, offering memorandum or any similar document under the Laws of any Selling Jurisdiction or any jurisdiction outside the Selling Jurisdictions or to subject the Company to any continuous disclosure or other similar reporting requirements under the laws of any jurisdiction outside the Selling Jurisdictions to which it is not currently subject.

3.

- (a) **Material Changes During Distribution**. During the distribution period, the Company shall promptly notify the Agent (and, if requested by the Agent, confirm such notification

in writing) of any material change or change in a material fact (in either case, whether actual, anticipated, contemplated or threatened, financial or otherwise) or any event or development involving a prospective material change or a change in a material fact or any other material change in the business, affairs, operations, assets (including information or data relating to the estimated value or book value of assets), liabilities (contingent or otherwise), capital, ownership, control or management of the Company which would constitute a material change to, or a change in a material fact concerning the Company or any other change which is of such a nature.

During the distribution period, the Company shall promptly, and in any event, within any applicable time limitation, comply with all applicable filings and other requirements under Securities Laws as a result of such change. During such period, the Company shall in good faith discuss with the Agent any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to this Section 3.

- (b) **Press Releases.** The Company agrees that it shall use its reasonable best efforts to provide the Agent with the opportunity to review the content and form of any press release to be issued in connection with the Offering prior to the closing of the Offering. In addition, if required by the relevant Securities Laws, any press release announcing or otherwise referring to the Offering shall include an appropriate notation substantially as follows: "Not for distribution to U.S. newswire services or dissemination in the United States." All press releases announcing the Offering will also be tailored to qualify for the safe harbor provided for in Rule 135e under the U.S. Securities Act, and include substantially the following statement:

"The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons absent registration under the U.S. Securities Act and all applicable U.S. state securities laws or in compliance with an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful."

4. **Representations and Warranties of the Company.** The Company represents and warrants to the Agent and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in purchasing the Units, that:

- (a) *Good Standing of the Company.* The Company (A) has been incorporated under the Act and is up-to-date in all material corporate filings and in good standing under the Act, (B) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets, and (C) has all requisite corporate power and authority to create, issue and sell the Units and to enter into and carry out its obligations under this Agreement and the Offering Documents. The Company is, in all material respects, conducting its business in compliance with all applicable Laws (including but not limited to all relevant exploration, concessions and Permits) of each jurisdiction in which its business is carried on and is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on business and all such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable

grounds to know of, any facts that could give rise to a notice of non-compliance with any such applicable Laws.

- (b) *Subsidiaries.* The Company has no material subsidiaries and no subsidiaries other than the Company Subsidiary, all of the securities of which are held directly or indirectly by the Company, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims and demands, and the Company holds full beneficial ownership of all such shares in the Company Subsidiary.
- (c) *No Proceedings for Dissolution.* No proceedings have been taken, instituted or, are pending for the dissolution, liquidation or winding up of the Company. The Company Subsidiary is inactive and may be liquidated and dissolved in the future.
- (d) *Share Capital of the Company.* The authorized capital of the Company consists of an unlimited number of Common Shares, of which, as at the date hereof, 280,138,434 Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company, and other than (i) pursuant to the Offering, and (ii) stock options to purchase an aggregate of 9,699,000 Common Shares outstanding as of the date hereof, (iii) 49,801,475 Common Share purchase warrants, and (iv) except as set forth in the Public Disclosure Documents, no person, or firm or corporation has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option or privilege (whether pre-emptive or contractual), for the issue or allotment of any unissued shares in the capital of the Company or any other security convertible into or exchangeable for any such shares, or to require the Company to purchase, redeem or otherwise acquire any of the outstanding securities in the capital of the Company.
- (e) *Authorization.* The execution and delivery of this Agreement and the Offering Documents and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Company and upon the execution and delivery thereof shall constitute valid and binding obligations of the Company, enforceable against the Company in accordance with the terms hereof and thereof, provided that enforcement hereof and thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable. All necessary corporate action has been taken by the Company so as to (i) validly authorize and issue the Unit Shares and when certificates (whether in electronic or definitive form) representing the Unit Shares have been issued, delivered and paid for, the Unit Shares will be validly issued as fully paid and non-assessable Common Shares; (ii) validly create, authorize and issue the Warrants; (iii) allot, reserve and authorize the issuance of Warrant Shares, as fully paid and non-assessable Common Shares upon the due exercise of the Warrants, in accordance with the terms of the Warrant Indenture or Warrant Certificates, as applicable; (iv) validly create, authorize and issue the Broker Warrants; and (v) allot, reserve and authorize the issuance of the Broker Shares as fully paid and non-assessable Common Shares upon the due exercise of the Broker Warrants in accordance with the terms of the Broker Warrant Certificates.
- (f) *Absence of Rights.* Except as disclosed in the Public Disclosure Documents (including the OGR Investor Rights Agreement and ODV Investor Rights Agreement), there is no right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued Common Shares or any other agreement or option, for the issue or allotment of any unissued Common Shares or any other security convertible into or exchangeable for any Common Shares or to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding Common Shares, and the Unit Shares and Warrants, upon issuance,

will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Company.

- (g) *Common Shares are Listed.* The currently issued and outstanding Common Shares are listed and posted for trading on the TSXV and no order ceasing or suspending trading in the Common Shares or prohibiting the sale of the Units has been issued and to the best knowledge of the Company, no proceedings, actions, inquiries, or investigations for such purpose has been threatened or are pending. The Company is in compliance in all material respects with the current listing requirements and all other applicable rules and regulations of the TSXV and has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSXV.
- (h) *Financial Information.* The Financial Information:
 - (i) presents fairly, in all material respects, the consolidated financial position of the Company, and the consolidated results of its operations and its cash flows, for the periods specified in such Financial Information;
 - (ii) conforms with IFRS applied on a consistent basis throughout the periods involved; and
 - (iii) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to any period covered by the Financial Information.
- (i) *Off Balance Sheet Arrangements.* Except as disclosed in the Public Disclosure Documents there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Company which are required to be disclosed in accordance with Securities Laws and are not disclosed or reflected in the Financial Information.
- (j) *Liabilities.* As of the date hereof, neither the Company nor the Company Subsidiary has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Information, other than liabilities, obligations or indebtedness or commitments incurred after the last period covered by the Financial Information in the normal course of business or otherwise disclosed in the Public Disclosure Documents subsequent to the last period covered by the Financial Information and which would not reasonably be expected to have a Material Adverse Effect.
- (k) *Non-Contravention.* The execution and delivery of this Agreement and the Offering Documents and the performance by the Company of its obligations hereunder or thereunder (including the issue, sale and delivery of the Unit Shares, the Warrants and the Broker Warrants, and the issue and delivery of the Warrant Shares and the Broker Shares upon the exercise of the Warrants and the Broker Warrants, as applicable) and the consummation of the transactions contemplated hereby and thereby, do not and will not:
 - (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, Securities Regulator or other third party, except such as have been obtained or will be obtained under applicable Securities Laws or stock exchange regulations; or

- (ii) conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, (whether after notice or lapse of time or both), (i) any statute, rule or regulation applicable to the Company including Securities Laws (ii) the constating documents, articles or resolutions of the Company which are in effect at the date of hereof; (iii) any Debt Instrument or Material Agreement; or (iv) any judgment, decree or order binding the Company or the property or assets of the Company.
- (l) *All Consents and Approvals.* All consents, approvals, Permits, authorizations or filings as may be required under Securities Laws necessary for: (i) the execution and delivery of the Offering Documents; (ii) the issuance, creation, sale and delivery, as applicable, of the Unit Shares, the Warrants, the Warrant Shares, the Broker Warrants and the Broker Shares; and (iii) the consummation of the transactions contemplated hereby and by the other Offering Documents, have been made or obtained, as applicable, other than filings required to be submitted within the applicable time frame pursuant to applicable Securities Laws.
- (m) *Independent Accountants.* The public accountants who reported on the Financial Information are independent with respect to the Company within the meaning of applicable Securities Laws. There has been no reportable event (within the meaning of NI 51-102) with the current auditors or any former auditors (if any) of the Company within the last two fiscal years of the Company.
- (n) *Conduct of Business; Possession of Licenses and Permits.* The Company and the Company Subsidiary has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business. The Company and the Company Subsidiary possesses such Permits, certificates, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate federal, provincial, state, local or foreign, as applicable, Governmental Entities necessary to own, lease, stake or maintain the mining rights and property claims and other property interests and to conduct the business now operated, including to conduct exploration at their various projects, except where the failure to possess such Permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Material Adverse Effect. The Company and the Company Subsidiary is in compliance, in all material respects, with the terms and conditions of all such Governmental Licenses, and is not in violation of, or in default under, in any material respect, applicable Laws (including Environmental Laws) of any Governmental Entities having, asserting or claiming jurisdiction over the Company or the Company Subsidiary or over any part of the Company's or the Company Subsidiary's operations or assets except where such non-compliance, violation or default would not reasonably be expected to have a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect. Neither the Company nor the Company Subsidiary has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses.
- (o) *Material Agreements.* All Material Agreements and Debt Instruments have been disclosed in the Public Disclosure Documents and if required under the applicable Securities Laws have been filed and are available on the Company's issuer profile on SEDAR+. Each Material Agreement and Debt Instrument is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Company has performed all obligations (including payment obligations) in a timely manner under, and are in compliance with all terms and conditions contained in, each Material Agreement and Debt Instrument. Neither the Company nor the Company Subsidiary has received notification from any party claiming that the Company or the Company Subsidiary is in

material breach or default under any Material Agreement or Debt Instrument, and no other party, to the knowledge of the Company, is in breach, violation or default of any term under any Material Agreement or Debt Instrument.

- (p) *Asset Purchase Agreement.* The Company validly acquired the rights and interest in the Properties, to the extent contemplated in the Asset Purchase Agreement and as disclosed in the Public Disclosure Documents.
- (q) *Glencore Agreement.* The Glencore Agreement is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with and subject to the terms thereof. The Company has performed all obligations (including payment obligations) in a timely manner under, and is in compliance with all terms and conditions contained in the Glencore Agreement, in all material respects. Neither the Company nor the Company Subsidiary is in violation, breach or default nor have they received any notification claiming that that they are in violation, breach or default under the Glencore Agreement and the Company is not aware of any reason it would not be not be enforceable against Glencore.
- (r) *Restrictions on Business.* The Company is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of the Company.
- (s) *No Material Adverse Effect.* Since September 30, 2024, (i) except as disclosed in the Financial Information, there has been no change in the consolidated condition (financial or otherwise), or in the consolidated properties, capital, affairs, prospects, operations, assets or liabilities of the Company, whether or not arising in the ordinary course of business, which would reasonably be expected to give rise to a Material Adverse Effect, and (ii) except as disclosed in the Public Disclosure Documents, there have been no transactions entered into by the Company, other than those in the ordinary course of business, which are material with respect to the Company.
- (t) *Absence of Changes.* Since September 30, 2024, the Company and the Company Subsidiary has carried on business in the ordinary course and, except as disclosed in the Public Disclosure Documents, there has not been:
 - (i) any material change in the consolidated assets, liabilities or obligations (absolute, accrued, contingent or otherwise), business, business prospects, condition (financial or otherwise) or results of operations of the Company, other than those changes occurring in the ordinary course of business, none of which (either singly or taken together) has had or would have a Material Adverse Effect on the Company;
 - (ii) except as contemplated in this Agreement, any material change in the share capital or long-term debt of the Company;
 - (iii) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares in the capital of the Company or any direct or indirect redemption, purchase or other acquisition of any shares; or
 - (iv) any change in accounting or tax practices followed by the Company.

- (u) *Absence of Proceedings.* There is no action, suit, proceeding, inquiry or investigation before or brought by any court or other Governmental Entity, domestic or foreign, now pending or, to the knowledge of the Company, threatened against or affecting the Company or the Company Subsidiary, which has not been disclosed in the Public Disclosure Documents, or which if determined adversely would reasonably be expected to have a Material Adverse Effect, or which, if determined adversely, would reasonably be expected to materially adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder or under any of the Offering Documents.
- (v) *Outstanding Judgements.* There is no outstanding judgement, order, decree (excluding decrees of general application under applicable Law), arbitral award or decision of any court, tribunal or other Governmental Entity against the Company or the Company Subsidiary which would reasonably be expected to have a Material Adverse Effect.
- (w) *No Insolvency.* Neither the Company nor the Company Subsidiary has committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any Law, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed of any part of its assets, had any encumbrancer or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it, and neither the Company nor the Company Subsidiary is an insolvent person (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada)) as of the date hereof.
- (x) *Anti-Bribery Laws.* Neither the Company nor the Company Subsidiary has, and to the knowledge of the Company, no director, officer, employee, representative or agent of the foregoing in their capacity as such has, (i) violated any anti-bribery or anti-corruption laws applicable to the Company, including but not limited to the *Foreign Corrupt Practices Act of 1977* (United States) and the *Corruption of Foreign Public Officials Act* (Canada), or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Entity; or assisting any representative of the Company in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither the Company nor the Company Subsidiary has, nor, to the knowledge of the Company, has any director, officer, employee, representative or agent of the foregoing in their capacity as such, (i) conducted or initiated any review, audit, or internal investigation that concluded the Company, or any director, officer, employee, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any person alleging noncompliance with any such laws.

- (y) *Brokerage Fees.* Other than the Agent (or any members of their selling group) pursuant to this Agreement, there is no person acting or, to the knowledge of the Company, purporting to act at the request of the Company, who is entitled to any brokerage, agency or finder's fees or other fiscal advisory or similar fees in connection with the Offering or the transactions contemplated herein.
- (z) *Entitlement to Proceeds.* Other than the Company, there is no person that is or will be entitled to the proceeds of the Offering under the terms of any Debt Instrument, Material Agreement, or other instrument or document (written or unwritten).
- (aa) *No Default of Securities Laws.* The Company is not in default, in any material respect, of any requirement of applicable Securities Laws which would reasonably be expected to have a Material Adverse Effect on the Offering or the Company.
- (bb) *Disclosure.* (i) all information which has been prepared or compiled by the Company relating to the Company and its business, properties and liabilities, and either filed on SEDAR+ or provided to the Agent, including all financial, marketing, sales, technical mining and operational information, is as of the date of such information, true and correct in all material respects, and no material fact or facts have been omitted therefrom which would make such information misleading, (ii) the Company has filed all documents required to be filed by it under the applicable Securities Laws and Public Disclosure Documents did not contain a misrepresentation at the time of their filing on SEDAR+, and (iii) the Company has not filed any confidential material change reports which remain confidential as at the date hereof.
- (cc) *No Default.* Save and except as disclosed in this Agreement, neither the Company nor the Company Subsidiary is in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the material property or assets (including any royalty or interest therein) thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any Contract to which the Company or the Company Subsidiary is a party entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could reasonably be expected to have a Material Adverse Effect.
- (dd) *Voting Agreements.* The Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company.
- (ee) *Shareholder Agreements.* Neither the Company nor, to the knowledge of the Company, any shareholder of the Company is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Company.
- (ff) *Interests of Insiders; Conflicts.* To the knowledge of the Company:
 - (i) other than as disclosed in the Public Disclosure Documents, none of the directors, officers or employees of the Company or the Company Subsidiary, any known holder of more than 10% of any class of securities of the Company, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the Securities Act (Québec)), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction with the Company which, as the case may be, materially

affected, is material to or will materially affect the Company, and no insider of the Company (within the meaning of applicable Securities Laws) has a present intention to sell any securities of the Company ;

- (ii) no officer, director or employee of the Company, and no person which is an affiliate or associate of one or more of the foregoing, owns, directly or indirectly, any interest in (except for shares representing less than 5% of the outstanding shares of any class or series of any publicly traded company), or is an officer, director, employee or consultant of any person which is, or is engaged in, a business competitive with the Company or the Company Subsidiary, as applicable, which, in either case, materially adversely impacts, or can reasonably be expected to materially and adversely impact, their ability to duly and properly perform their services;
 - (iii) no officer, director, employee or 5% security holder of the Company has any cause of action or other claim whatsoever against, or owes any material amount to, the Company, as applicable, in connection with its business except for claims in the ordinary and normal course of the business such as for accrued vacation pay or other amounts or matters which would not be material to the Company on a consolidated basis;
 - (iv) other than as disclosed in the Public Disclosure Documents(including the Osisko Loan), the Company does not owe any monies to, has any present loans to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, 5% shareholder or any person not dealing at "arm's length" (as such term is defined in the Tax Act) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of its business; and
 - (v) the directors and executive officers of the Company who are NEOs and their compensation arrangements (as applicable) with the Company and the Company Subsidiary, as applicable, whether as directors, officers or employees are, in all material respects, as disclosed in the Public Disclosure Documents.
- (gg) *Interest in Revenues.* No officer, director, employee or any other person not dealing at arm's length with the Company (within the meaning of the Tax Act), or to the knowledge of the Company, any associate or affiliate of such person, owns, has or is entitled to any royalty, net profits interest, carried interest, licensing fee, or any other Liens or claims of any nature whatsoever which are based on the revenues, profits, results of mineral project exploitation or other economic measure of the Company, save and except for certain royalties over the Horne 5 Project.
- (hh) *Directors and Officers.* To the knowledge of the Company, and other than as disclosed in the Public Disclosure Documents, none of the directors or officers of the Company are now, or have ever been, (i) subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange, or (ii) subject to an order preventing, ceasing or suspending trading in any securities of the Company or any other public company.
- (ii) *Indebtedness.* Except as disclosed in the Public Disclosure Documents, the Company is not a party to any Debt Instrument and does not have any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or

employees, past or present, or any person not dealing at arm's length with them other than for the reimbursement of ordinary course business expenses.

- (jj) *Insurance.* The properties and assets of the Company and the Company Subsidiary are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the terms of any policies in respect thereof have not been breached, in any material respect, and the insured has not failed to promptly give any notice or present any material claim thereunder.
- (kk) *Reporting Issuer.* The Company is a “reporting issuer”, not included in a list of defaulting reporting issuers maintained by the Securities Regulators in each of the Provinces of Canada and in particular, without limiting the foregoing, the Company has at all times complied with its obligations to make timely disclosure of all material changes relating to it and there is no material change relating to the Company which has occurred and with respect to which the requisite news release has not been disseminated or material change report has not been filed with the Securities Regulators in Canada.
- (ll) *Accounting Controls.* The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (mm) *Material Properties and Mining Rights.* Other than as disclosed in the Public Disclosure Documents (including the Technical Report and the Glencore Agreement), the Company holds either mining claims or other contractual interests or rights, including access and surface rights, in respect of the mineral deposits and specified minerals located in the Properties in which the Company has an interest as described in the Public Disclosure Documents under valid, subsisting and enforceable title documents or other enforceable agreements or instruments, sufficient to permit the Company to access the Properties subject to the conditions described in the Public Disclosure Documents and the Glencore Agreement) and explore and exploit the minerals relating thereto in accordance with the agreements described in the Public Disclosure Documents and the Glencore Agreement; all such properties, leases, concessions or claims in which the Company has any interests or rights have been validly located and recorded in accordance with all applicable Laws and are valid, subsisting and in good standing, save and except as disclosed in the Public Disclosure Documents. The Company does not know of any claim or basis for any claim that would materially and adversely affect the right of the Company to use, transfer, access or otherwise exploit such property rights; and, except as specified in the Public Disclosure Documents (including the Sandstorm Royalty Agreement) or required by Law, the Company does not have a responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof.
- (nn) *Leased Premises.* With respect to each of the Leased Premises, the Company occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company occupies the Leased Premises is in good standing and in full force and effect.

- (oo) *Indigenous Claims.* There are no claims with respect to Indigenous rights currently, or, to the knowledge of the Company, pending or threatened with respect to the Properties or in respect of any other material properties in which the Company has a direct or indirect economic interest. Without limiting the foregoing, to the knowledge of the Company and other than as disclosed in the Public Disclosure Documents (including the Technical Report), the Properties are not located in an area designated or in the process of being designated as traditionally occupied by any Indigenous group (Indigenous reserves).
- (pp) *No Cease Trade Orders.* No Securities Regulator in any jurisdiction has issued any order which is currently outstanding preventing or suspending trading in any securities of the Company, no such proceeding is, to the knowledge of the Company, pending, contemplated or threatened, and the Company is not in material default of any requirement of applicable Securities Laws, except such as would not have or would not reasonably be expected to have a Material Adverse Effect.
- (qq) *Transfer Agent, Warrant Agent and Registrar.* TXS Trust Company, at its principal offices in Toronto, Ontario has been duly appointed as the transfer agent and registrar for the Common Shares and the warrant agent in respect of the Warrants.
- (rr) *Money Laundering Laws.* The operations of the Company are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Entity (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Entity or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.
- (ss) *Due Diligence Matters.* The minute books and corporate records of the Company made available to the Agent’s Counsel in connection with the Agent’s due diligence investigations of the Company are the original minute books and records of the Company or true copies thereof and contain copies of all material proceedings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of the Company for the periods provided and there have been no other material proceedings of the shareholders, boards of directors or any committee of the boards of directors of the Company that are required to be included in such minute books and records to the date of review of such corporate records and minute books not reflected in such minute books and corporate and other records other than those which have been disclosed to the Agent in writing.
- (tt) *Acquisitions and Dispositions.* All previous acquisitions and dispositions, amalgamations and reorganizations completed by the Company, of any securities or business of any other entity have been fully and properly disclosed in the Public Disclosure Documents, were completed in compliance with all applicable Laws and all necessary corporate and regulatory approvals, consents, authorizations, registrations, and filings required in connection therewith were obtained and complied with.
- (uu) *Purchase and Sales.* The Company has not approved, nor entered into any agreement in respect of, nor has knowledge of:
- (i) the purchase of any material property or any interest therein, or the sale, transfer or other disposition of any material property or any interest therein currently

owned, directly or indirectly, by the Company whether by asset sale, transfer of shares, or otherwise;

- (ii) the change of control (by sale or transfer of Common Shares or sale of all or substantially all of the assets of the Company or otherwise) of the Company; or
 - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares.
- (vv) *Compliance with Laws, Filings and Fees.* The Company has complied in all material respects with all relevant statutory and regulatory requirements required to be complied with prior to the Closing Time in connection with the Offering. All filings and fees required to be made and paid by the Company pursuant to Securities Laws and general corporate law have been made and paid and the information and statements set forth in the Public Disclosure Documents were accurate in all material respects and did not contain any misrepresentation as of the date of such information or statement, and the Company has not filed any confidential material change report with any Securities Regulators in Canada that is still maintained on a confidential basis. The Company is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will have a Material Adverse Effect on the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Company.
- (ww) *Subscription Agreement Reps.* The representations and warranties of the Company in the Subscription Agreements are true and correct.
- (xx) *Mining and Environmental Matters.*
- (i) except as disclosed hereunder and in the Public Disclosure Documents, the Company is the absolute beneficial owner of and has good and marketable title to all rights to minerals described in the Public Disclosure Documents, being the rights to minerals contained at a depth of more than 200 metres below the surface of the mining concession CM-156PTB (held by a third party) known as the Horne 5 Project, and the Company further warrants and represents that:
 - (1) except as disclosed in the Public Disclosure Documents, the Horne 5 Project is free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever;
 - (2) subject to the consents and approvals of the third party owning the mining concession CM-156PTB as described in the Public Disclosure Documents, such rights to minerals owned by the Company represent all rights, title and interest required for the Company to conduct its current and planned exploration activities on the Horne 5 Project;
 - (3) subject to the consents and approvals of the third party owning the mining concession CM-156PTB as described in the Public Disclosure Documents, and except as otherwise disclosed in the Public Disclosure Documents, no other property rights (including access rights) are necessary for the conduct of the business of the Company as currently conducted or contemplated to be conducted;
 - (4) except as disclosed in the Public Disclosure Documents, the Company knows of no claim or basis for any claim that would reasonably be

expected to adversely affect the right of the Company to use or otherwise exploit the Horne 5 Project; and

- (5) except as disclosed in the Public Disclosure Documents, the Company has no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the Horne 5 Project;
- (ii) the Company holds either mining claims, mining concessions or other property, proprietary or contractual interests or rights, in respect of the ore bodies and minerals located in the Properties (other than the Horne 5 Project) in which the Company has an interest as described in the Public Disclosure Documents, under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company to access the property and explore the minerals relating thereto;
- (iii) except as disclosed in the Public Disclosure Documents (including the Technical Report and the Glencore Agreement), the Company has all necessary surface rights, access rights and other necessary rights and interests relating to its properties, including the Properties, in which the Company has an interest as described in the Public Disclosure Documents granting the Company the right and ability to access the property and explore for minerals for development purposes as are appropriate in view of their respective rights and interests therein, with only such exceptions as do not materially interfere with the access and use by the Company of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above are currently in good standing in the name of the Company;
- (iv) any and all of the agreements and other documents and instruments pursuant to which the Company holds its property and assets (including any option agreement or any interest in, or right to earn an interest in, any properties) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, the Company is not in default of any of the material provisions of any such agreements, documents or instruments, nor has any such default been alleged;
- (v) there are no material claims with respect to native rights currently threatened or, to the best knowledge of the Company, pending with respect to any of the properties of the Company, including the Properties;
- (vi) neither the Company nor the Company Subsidiary is in violation, in any material respect, of any federal, provincial, state, local, municipal or foreign Law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including Laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**") except where such violations

would not be reasonably expected, on an individual or aggregate basis, to have a Material Adverse Effect;

- (vii) except as disclosed in the Public Disclosure Documents, including with respect to the environmental permitting process for the Horne 5 Project which is pending, the Company has obtained all material licences, Permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the “**Environmental Permits**”) necessary as at the date hereof for the operation of the business carried on by the Company as currently conducted, and each Environmental Permit is valid, subsisting and in good standing and neither the Company the Company Subsidiary are in default or breach of any Environmental Permit in any material respect and no proceeding has been threatened, or to the best knowledge of the Company, is pending to revoke or limit any Environmental Permit;
- (viii) the Company has not used, except in compliance in all material respects with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance;
- (ix) the Company has not received any notice of, or been prosecuted for an offence alleging, non-compliance with any laws, ordinances, regulations and orders in any material respect, including Environmental Laws, and the Company has not settled any allegation of noncompliance short of prosecution. There are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Company, nor has the received notice of any of the same;
- (x) there have been no past unresolved or threatened, and to the best of the Company’s knowledge, there are no pending claims, complaints, notices or requests for information received by the Company with respect to any alleged material violation of any law, statute, order, regulation, ordinance or decree; and to the best of the Company’s knowledge, no conditions exist at, on or under any property now or previously owned, operated or leased by the Company which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or may reasonably be expected to have any materially adverse effect with respect to the Company;
- (xi) except as ordinarily or customarily required by applicable Permit, neither the Company nor the Company Subsidiary has received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under any law including any Environmental Laws. The Company has not received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites; all exploration and mining operations on the Properties of the Company have been conducted in all respects in accordance with good mining and engineering practices and all applicable material workers’ compensation and health and safety and workplace laws, regulations and policies have been complied with;
- (xii) there are no environmental audits, evaluations, assessments, studies or tests relating to the Company except for ongoing assessments conducted by or on behalf of the Company in the ordinary course;

- (xiii) the Company is in compliance, in all material respects, with the provisions of NI 43-101 and has filed all technical reports in respect of its material properties required thereby, which remain current as at the date hereof. The Technical Reports comply in all material respects with the requirements of NI 43-101 and there is no new material scientific or technical information concerning the Properties since the date thereof that would require a new technical report in respect of such property to be filed under NI 43-101. The Company made available to the authors of the Technical Reports, prior to the issuance thereof, for the purpose of preparing such report, all information requested by such authors and none of such information contained any misrepresentation at the time such information was provided. The information set forth in the Public Disclosure Documents relating to scientific and technical information, including the estimates of the mineral resources of the Properties, as applicable, have been prepared in accordance with Canadian industry standards set forth in NI 43-101 and in compliance with Securities Laws. The method of estimating the mineral reserves and resources has been verified by mining experts who are "qualified persons" (within the meaning of NI 43-101), all material assumptions underlying the mineral reserves and resource estimates are reasonable and appropriate, the information upon which the estimates of mineral reserves and resources were based, was, at the time of delivery thereof, complete and accurate in all material respects and there have been no material changes to such information since the date of delivery or preparation thereof;
 - (xiv) except as disclosed in the Public Disclosure Documents, including with respect to the environmental permitting process for the Horne 5 Project which is pending, the Company have obtained all Permits necessary to carry on the business of the Company as it is currently conducted. The Company is in compliance with the terms and conditions of all Permits except where noncompliance would not reasonably be expected to have a Material Adverse Effect. Other than as set out in this Agreement or the Public Disclosure Documents, all of the Permits issued to date are valid, subsisting, in good standing and in full force and effect and the Company has not received any notice of proceedings relating to the revocation or modification of any such Permits nor any notice advising of the refusal to grant any Permit that has been applied for or is in process of being granted; and
 - (xv) no part of the Properties or the mining rights or permits of the Company has been taken, revoked, condemned, or expropriated by any Governmental Entity nor has any written notice or proceedings in respect thereof been given, or to the knowledge of the Company, been commenced, threatened, or is pending, nor does the Company have any knowledge of the intent or proposal to give such notice or commence any such proceedings.
- (yy) *Employment Matters.*
- (i) all material employment agreements, severance agreements and change of control agreements in respect of any NEOs, and all Employee Plans have been, in all material respects, adequately disclosed in the Public Disclosure Documents. The Company is in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages, and there is not currently any material labour disruption or conflict involving the Company. There are no material claims, complaints, outstanding decisions, orders or settlements or, to the knowledge of the Company, pending claims, complaints, decisions, orders or settlements under

any human rights legislation, employment standards legislation, workers' compensation legislation, occupational health and safety legislation or similar legislation nor has any event occurred which may give rise to any of the foregoing. The Company is not a party to a collective bargaining agreement. To the best of the Company's knowledge, save as aforesaid, there are no union organizing efforts being made at the Company;

- (ii) each material plan, if any, for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Company for the benefit of any current or former director, officer, employee or consultant (collectively, the "**Employee Plans**") has been maintained in material compliance with its terms and with the requirements prescribed by any and all Laws that are applicable to such Employee Plan. The Company does not have nor has had any pension plan (as such term is defined in the relevant legislation of the applicable jurisdiction). All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and Employee Plan payments have been reflected in the books and records of the Company;
- (iii) there is not currently any labour disruption which is adversely affecting or could adversely affect, in a material manner, the carrying on of the business of the Company.

(zz) *Tax Matters.* All material taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company have been paid. All tax returns, declarations, remittances and filings required to be filed by the Company have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the best of the knowledge of the Company, no examination of any tax return of the Company is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Company.

5. Representations and Warranties of the Agent. The Agent hereby represents and warrants to the Company and acknowledges that the Company is relying upon such representations and warranties, that:

- (a) *Validly Subsisting and Sufficient Corporate Power.* The Agent is a valid and subsisting corporation under the Law of the jurisdiction in which it is incorporated, continued or amalgamated and has good and sufficient corporate power and authority to enter into and execute this Agreement and complete the transactions contemplated hereunder.
- (b) *Compliance with Securities Laws.* In respect of the offer and sale of the Units, the Agent will conduct its activities in connection with the Offering in accordance with and comply with all applicable Securities Laws and the provisions of this Agreement.

- (c) *Duly Registered.* The Agent is duly registered pursuant to the provisions of the Securities Laws, and is duly registered or licensed as an investment dealer in those jurisdictions in which it is required to be so registered in order to perform the services contemplated by this Agreement, or if or where not so registered or licensed, the Agent will act only through members of a selling group who are so registered or licensed.
- (d) *General Solicitation or Advertising.* The Agent and its Affiliates and representatives have not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with or in respect of the Units in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio or television or otherwise or conducted any seminar or meeting concerning the offer or sale of the Units whose attendees have been invited by any general solicitation or general advertising.
- (e) *No Prospectus or Registration Requirement.* The Agent has not and will not solicit offers to purchase or sell the Units so as to require the filing of a prospectus, registration statement or offering memorandum with respect thereto or the provision of a contractual right of action under the laws of any jurisdiction.

6. Closing Deliveries. The purchase and sale of the Units shall be completed by electronic exchange at the Closing Time or such other date or time as the Agent and the Company may agree upon. If, at the Closing Date, the terms and conditions herein have been complied with to the satisfaction of the Agent acting reasonably or waived by the Agent, the Agent will deliver to the Company all completed Subscription Agreements, against delivery by the Company of the Units, by way of electronic deposit as directed by the Agent, against payment by the Agent to the Company of the Subscription Price therefor, less the Commission referred to in Section 13 and the expenses referred to in Section 9 hereof.

7. Closing Conditions. Each Purchaser's obligation to purchase the Units shall be conditional upon the fulfillment at or before the Closing Time of the following conditions:

- (a) the Agent shall have received at the Closing Time, certificates dated the Closing Date, signed by appropriate officers of the Company addressed to the Agent, with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to this Agreement and the transactions contemplated hereby, the incumbency and specimen signatures of signing officers in the form of a certificate of incumbency and such other matters as the Agent may reasonably request;
- (b) the issuance of the Unit Shares, Warrants, Warrant Shares, Broker Warrants, and Broker Shares and listing of the Unit Shares, Warrant Shares and Broker Shares shall have been conditionally accepted by the TSXV;
- (c) the Company shall have taken all necessary corporate actions to (i) authorize and approve the Offering Documents, (ii) create and issue the Unit Shares, Warrants, and Broker Warrants; (iii) authorize and allot for issuance the Warrant Shares and the Broker Shares; and (iv) authorize and approve all other matters relating to the Offering;
- (d) the Agent shall have received legal opinions addressed to the Agent, in form and substance satisfactory to the Agent's Counsel, acting reasonably, dated the Closing Date, from counsel to the Company and where appropriate, counsel in the Selling Jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Company, with respect to the following matters:

- (i) as to the incorporation and subsistence of the Company under the federal laws of Canada and as to the Company having the requisite corporate power and capacity under the federal laws of Canada to carry on its business as presently carried on and to own its properties and assets;
- (ii) as to the authorized and issued capital of the Company;
- (iii) as to the corporate power and authority of the Company to execute, deliver and perform its obligations under the Offering Documents and to issue the Unit Shares, Warrants, Warrant Shares, Broker Warrants and Broker Shares;
- (iv) each of the Offering Documents have been duly authorized, executed and delivered by the Company and constitute a valid and legally binding obligation of the Company enforceable against it in accordance with their respective terms;
- (v) the execution and delivery of the Offering Documents and the performance by the Company of its obligations hereunder and thereunder, and the sale or issuance of the Unit Shares, Warrants, Warrant Shares, Broker Warrants and Broker Shares do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with the constating documents of the Company, any resolutions of the shareholders or directors of the Company, any applicable corporate laws or applicable Securities Laws;
- (vi) the Unit Shares have been duly and validly issued as fully paid and non-assessable Common Shares;
- (vii) the Warrants have been duly and validly created and issued and the Warrant Shares have been authorized and allotted for issuance and, upon the due exercise of the Warrants and in accordance with the provisions of the Warrant Indenture, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares;
- (viii) the Broker Warrants have been duly and validly created and issued and the Broker Shares have been authorized and allotted for issuance and, upon the due exercise of the Broker Warrants and in accordance with the provisions of the Broker Warrant Certificate, the Broker Shares will be validly issued as fully paid and non-assessable Common Shares;
- (ix) the issuance and sale by the Company of the Unit Shares and Warrants to the Purchasers and the issuance of the Broker Warrants to the Agent in accordance with the terms of this Agreement and the Subscription Agreements are exempt from the prospectus requirements of applicable Securities Laws in the Selling Jurisdictions in Canada and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws to permit such issuance and sale; it being noted, however, that the Company is required to file or cause to be filed with the applicable Securities Regulators in Canada, a report on Form 45-106F1 prepared and executed pursuant to NI 45-106, together with the prescribed filing fee, within 10 days following the Closing Date;
- (x) the issuance of the Warrant Shares upon the due exercise of the Warrants will be exempt from the prospectus requirements of applicable Securities Laws in the

Selling Jurisdictions in Canada and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws to permit such issuance and delivery;

- (xi) the issuance of the Broker Shares upon the due exercise of the Broker Warrants will be exempt from the prospectus requirements of applicable Securities Laws and no documents are required to be filed, proceedings taken or approvals, Permits, consents or authorizations obtained under the applicable Securities Laws to permit such issuance and delivery;
- (xii) no other documents will be required to be filed, proceedings, taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws in connection with the first trade of the Unit Shares, Warrants, Warrant Shares, Broker Warrants or Broker Shares by the holders thereof, as the case may be, provided that a period of four (4) months and one (1) day has lapsed from the date of distribution of the Units; and
- (xiii) such other matters as the Agent or its counsel may reasonably request;
- (e) the Agent shall have received a certificate of good standing or similar certificate with respect to the jurisdiction in which the Company is incorporated;
- (f) the Agent shall have received a certificate from the Transfer Agent as to the issued and outstanding Common Shares as at the close of business on the day prior to the Closing Date;
- (g) the Agent shall have delivered to the Company original or electronic copies of the Subscription Agreements completed and executed by each of the Purchasers and, if applicable, other forms prescribed by the TSXV or required by applicable Securities Laws or by the Company in connection with the Offering;
- (h) this Agreement, the Subscription Agreements, the Warrant Indenture, and the Broker Warrant Certificate shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Agent and Agent's Counsel;
- (i) the Company shall have duly complied with all material terms, covenants and conditions of this Agreement, each in their respective part, to be complied with up to the Closing Time;
- (j) the representations and warranties of the Company contained in this Agreement be true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement except to the extent such representations and warranties were made as of a prior date in which case they shall be true and correct in all material respects as of such date;
- (k) the Agent shall have received a title opinion dated as of the Closing Date from counsel satisfactory to the Agent, acting reasonably, addressed to the Agent, with respect to title matters and ownership interests of the material property of the Company, being the Horne 5 Project, in form and substance satisfactory to the Agent and Agent's Counsel, acting reasonably (the "**Title Opinion**");

- (l) if any Units are sold to, or for the account or benefit of, persons in the United States or U.S. Persons pursuant to this Agreement, the Company shall have caused a favourable legal opinion to be delivered by Troutman Pepper Hamilton Sanders LLP, the Company's special U.S. counsel, in form and substance satisfactory to the Agent and Agent's Counsel, acting reasonably, to the effect that the offer and sale of the Units to Qualified Institutional Buyers and U.S. Accredited Investors, in accordance with this Agreement including Schedule "A" hereto, is not required to be registered under the U.S. Securities Act, subject to the usual and customary assumptions, limitations and qualifications; it being understood that such counsel need not express its opinion with respect to any subsequent resales of the Units or the securities comprising the Units;
- (m) the Agent shall have received executed copies of the lock-up agreements required by the Agent pursuant to Section 2(a)(xv); and
- (n) such other conditions as the Agent and its counsel may require, acting reasonably.

8. Termination.

- (a) **Rights of Termination.** The Agent shall be entitled, in its sole option, to terminate and cancel its obligations hereunder without any liability to the Agent by written notice to that effect given to the Company at or prior to the Closing Time, if at any time prior to the Closing:
 - (i) *Material Adverse Change.* There shall have occurred any material change or change in any material fact, or there shall be discovered any previously undisclosed material change or material fact or there shall have emerged a new material fact, in each case in relation to the Company which was required to be disclosed in the Company's Public Disclosure Documents that would, in the reasonable opinion of the Agent, be expected to result in an adverse material change in relation to the Company and have a material adverse effect on the market price or value of the Common Shares;
 - (ii) *Undisclosed Material Change.* There shall be discovered any previously undisclosed material change which, in the opinion of the Agent acting reasonably, was required to be disclosed by the Company as part of its Public Disclosure Documents and which, in the opinion of the Agent, acting reasonably, has or would be expected to have a material adverse effect on the market price or value of the Common Shares;
 - (iii) *Disaster.* There should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, any acts of terrorism or hostilities or other calamity or any new or change in law or regulation which, in the opinion of the Agent, acting reasonably, materially adversely affects or involves, or would materially adversely affect or involve, the financial markets or the business, operations or affairs of the Company and its subsidiaries, taken as a whole;
 - (iv) *Proceedings.* (A) Any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or credibly threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the TSXV or any securities regulatory authority (other than any such inquiry, action, suit, investigation or other proceeding or order relating solely

to the Agent) involving the Company or any of its executive officers or directors; or (B) any law or regulation is enacted or proposed or changed that, in the opinion of the Agent, acting reasonably, operates to prevent or restrict the trading of the Company's securities or materially and adversely affects or will materially and adversely affect the market price or value of the Company's securities;

(v) *Breach*. The Company is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Company in this Agreement is or becomes materially false; or

(vi) *Market Out*. The state of the financial markets in Canada or elsewhere where it is planned to market the Units is such that, in the reasonable opinion of the Agent, the Units cannot be marketed profitably.

(b) **Exercise of Termination Rights**. The rights of termination contained in this Section 8 may be exercised by the Agent and is in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination by the Agent, there shall be no further liability on the part of the Agent to the Company or on the part of the Company to the Agent except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions prior to such termination or under Sections 9, 10, 11 and 13 of this Agreement.

9. **Expenses**. Whether or not the sale of the Units shall be completed, all expenses of or incidental to the sale and delivery of the Units and all expenses of or incidental to all other matters in connection with the Offering shall be borne by the Company including, without limitation, all reasonable fees and disbursements of all legal counsel to the Company (including local counsel), all fees and expenses relating to obtaining the conditional and final acceptance of the TSXV in respect of the Offering, and all transfer agent fees and expenses. In addition, whether or not the transactions contemplated by this Agreement shall be completed, the Company shall reimburse the Agent for all reasonable out-of-pocket expenses incurred by it in connection with the Offering, including the legal fees and disbursements of the Agent's counsel, together with all applicable taxes on all of the foregoing provided, however, that the Company shall not be required to pay any reasonable fees of counsel to the Agent in excess of \$85,000, exclusive of taxes and disbursements (such fees and expenses of the Agent that the Company is required to pay pursuant to the terms of this Agreement being, collectively, the "**Eligible Expenses**"). Eligible Expenses, whether incurred by the Agent or on its behalf, shall be immediately payable by the Company upon receipt of an invoice.

10. **Survival of Representations and Warranties**. All representations, warranties, covenants and agreements of the Company herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Agent or the Purchasers with respect thereto, shall continue in full force and effect for the benefit of the Agent and the Purchasers for a period of two years following the Closing Date. The representations, warranties, covenants and agreements of the Agent herein contained and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto, shall continue in full force and effect for the benefit of the Company for a period of two years following the Closing Date.

11. **Indemnity**. The Company agrees to indemnify and hold harmless the Agent and its Affiliates and its and their respective directors, officers, employees, legal counsel, agents and controlling persons (collectively, the "**Indemnified Parties**"), to the fullest extent permitted by law, from and against

any and all losses (excluding indirect, consequential or special losses and loss of profits), claims, damages, obligations, penalties, judgments, awards, and other liabilities (collectively, "**Liabilities**"), and will fully reimburse each Indemnified Party for any and all fees, costs, expenses and disbursements (collectively, "**Expenses**"), as and when incurred, of investigating, preparing or defending any claim, action, suit, proceeding or investigation, whether or not in connection with pending or threatened litigation or arbitration, and whether or not such Indemnified Party is a party (collectively, "**Actions**") (including any and all legal and other Expenses in giving testimony or furnishing documents in response to a subpoena or otherwise), arising out of or in connection with advice or services rendered or to be rendered by the Agent pursuant to this Agreement, the transactions contemplated hereby or the Agent's actions or inactions in connection with any such advice, services or transactions; provided, however, such indemnity agreement shall not apply to the Agent with respect to any portion of any such Liability or Expense that is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the gross negligence, fraud or willful misconduct of the Agent.

If any Action is commenced as to which an Indemnified Party proposes to demand indemnification hereunder, the Agent shall notify the Company with reasonable promptness; provided, however, that any delay or failure by the Agent to notify the Company shall not relieve the Company from its obligations hereunder, except to the extent that such delay or failure has been prejudicial to the Company or results in an increase in liability which the Company would otherwise have under this indemnity had the Agent not so delayed in giving or failed to give notice required hereunder. The Agent shall have the right to retain counsel of its own choice to represent it and its related Indemnified Parties, and the Company shall pay the Expenses of such counsel; and such counsel shall, to the extent consistent with its professional responsibilities, cooperate with the Company and any counsel designated by the Company, provided that the Company shall not be required to pay for the Expenses of more than one counsel for the Agent and its related Indemnified Parties in any one jurisdiction. The Company shall be liable for any settlement of any claim against any Indemnified Parties made with the Company's written consent, which consent shall not be unreasonably withheld. The Company shall not, without the prior written consent of the Agent, settle or compromise any claim, or permit a default or consent to the entry of any judgment, in any Action in respect of which indemnification may be sought hereunder.

In order to provide for just and equitable contribution, if a claim for indemnification pursuant to this Section 11 is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification in such case, then the Company, on the one hand, and the Agent, on the other hand, shall contribute to the Liabilities and Expenses to which the Indemnified Parties may be subject in accordance with the relative benefits received by the Company, on the one hand, and the Agent, on the other hand, and also the relative fault of the Company, on the one hand, and the Agent, on the other hand, in connection with the statements, acts or omissions which resulted in such Liabilities and Expenses. The Company agrees for purposes of this paragraph that the relative benefits to the Company and the Agent of any contemplated Offering (whether or not consummated) shall be deemed to be in the same proportion as the total value paid or issued or contemplated to be paid or issued to or by the Company or its security holders in connection with such Offering bears to the fees paid or payable to the Agent under this Agreement. Notwithstanding the foregoing, the Agent shall not be obligated to contribute any amount pursuant to this paragraph that exceeds the amount of fees previously received by such Agent pursuant to this Agreement.

The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, and shall be binding upon and enure to the benefit of any successors and assigns, heirs and personal representatives of the Company and the Indemnified Parties. The Agent hereby declares that it holds the benefits and rights conferred hereunder in trust

for the other Indemnified Parties and the Company acknowledges and agrees that such Indemnified Parties are so entitled to such rights and benefits and that such rights and benefits may be enforced by the Agent on behalf of such Indemnified Parties.

12. Advertisements. The Company acknowledges that the Agent shall have the right, subject always to clauses 1(a) and 1(c), at its own expense, to place such advertisement or advertisements relating to the Offering contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by applicable law, including applicable Securities Laws. The Company and the Agent each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of applicable securities legislation in any of the provinces of Canada in which the Units shall be offered or sold not being available.

13. Agent's Consideration.

- (a) In consideration of the services to be rendered by the Agent in connection with the Offering, the Company shall pay the Agent a cash commission (the "**Commission**") equal to 6.0% of the aggregate gross proceeds raised from the issuance of the Units. The obligation of the Company to pay the Commission shall arise at the Closing Time and will be netted out of the gross proceeds of the Offering payable to the Company.
- (b) As additional consideration for its services, the Company shall issue to the Agent that number of Broker Warrants as is equal to 6.0% of the number of Units sold pursuant to the Offering. The obligation of the Company to execute and deliver the Broker Warrant Certificate to the Agent shall arise at the Closing Time.
- (c) Notwithstanding the foregoing, all gross proceeds raised from the issuance of Units to purchasers from the Company's president's list will be subject to a reduced commission of 3.0%, without the issuance of Broker Warrants.

14. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

- (a) if to the Company, to it at:

Falco Resources Ltd.
Suite 300 1100 Canadiens-de-Montreal
Montreal, Quebec H3B 2S2
Canada

Attention: Luc Lessard, President, Chief Executive Officer and Director
Email: [Redacted – Personal Information]

with a copy to (which will not constitute delivery):

Stikeman Elliott LLP
1155 Boul. Rene-Levesque O #4100
Montreal, Quebec H3B 3V2
Canada

Attention: David Massé
Email: [Redacted – Personal Information]

(b) or if to the Agent:

Cantor Fitzgerald Canada Corporation
181 University Avenue, Suite 1500
Toronto, ON M5H 3M7
Canada

Attention: Elan Shevel, Chief Compliance Officer
Email: [Redacted – Personal Information]
Email: [Redacted – Personal Information]

with a copy to (which will not constitute delivery):

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4
Canada

Attention: James Clare
Email: [Redacted – Personal Information]

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by electronic transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by electronic transmission shall be deemed to be given and received on the first Business Day following the day on which it is confirmed to have been sent.

15. **Time of the Essence.** Time shall, in all respects, be of the essence hereof.
16. **Canadian Dollars.** All references herein to dollar amounts are to lawful money of Canada unless otherwise indicated.
17. **Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.
18. **Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.
19. **No Fiduciary Duty.** The Company acknowledges and agrees that (i) the purchase and sale of the Units pursuant to this Agreement, including the determination of the subscription price of the Units and any related discounts and commissions, is an arm's length commercial transaction between the Company, on the one hand, and the Agent, on the other hand; (ii) in connection with the Offering contemplated hereby and the process leading to such transaction, the Agent is and has been acting solely as principals and are not the agents or fiduciaries of the Company or its shareholders, creditors, employees or any other party; (iii) the Agent has not assumed and will not assume an advisory or fiduciary responsibility in favour of the Company with respect to the offering

contemplated hereby or the process leading thereto (irrespective of whether the Agent has advised or are currently advising the Company on other matters) and the Agent does not have any obligations to the Company with respect to the Offering contemplated hereby except the obligations expressly set forth in this Agreement; (iv) the Agent and its respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company; and (v) the Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Offering contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

20. **Entire Agreement.** This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings including, without limitation, the Letter Agreement. This Agreement may be amended or modified in any respect by written instrument only.
21. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
22. **Governing Law.** This Agreement shall be governed by and be construed in accordance with the laws of the province of Ontario and the laws of Canada applicable therein.
23. **Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agent and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.
24. **Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.
25. **Language.** The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressément demandé que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*
26. **Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.
27. **Counterparts and Facsimile.** This Agreement may be executed in any number of counterparts and by facsimile, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

[Remainder of page intentionally left blank. Signature page follows.]

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

CANTOR FITZGERALD CANADA CORPORATION

Per: (signed) "Elan Shevel"

Name: Elan Shevel

Title: Chief Compliance Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

DATED as of this 20 day of December, 2024.

FALCO RESOURCES LTD.

Per: *(signed) "Anthony Glavac"*
Name: Anthony Glavac
Title: Chief Financial Officer

SCHEDULE "A"

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

For the purposes of this Schedule "A", the following terms will have the meanings set forth below:

- (a) **"Directed Selling Efforts"** means "directed selling efforts" as defined in Rule 902(c) of Regulation S and, without limiting the foregoing, but for greater clarity, it means, subject to the exclusions from the definition of directed selling efforts contained in Rule 902(c) of Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Securities, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Securities;
 - (b) **"Foreign Issuer"** means a "foreign issuer" as such term is defined in Rule 902(e) of Regulation S;
 - (c) **"General Solicitation"** and **"General Advertising"** mean "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D under the U.S. Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
 - (d) **"Offered Securities"** means the Units, the Unit Shares, the Warrants and the Warrant Shares;
 - (e) **"Offshore Transaction"** means an "offshore transaction" as such term is defined in Rule 902(h) of Regulation S;
 - (f) **"Regulation D"** means Regulation D under the U.S. Securities Act;
 - (g) **"Regulation S"** means Regulation S under the U.S. Securities Act;
 - (h) **"Substantial U.S. Market Interest"** means "substantial U.S. market interest" as defined in Rule 902(j) of Regulation S; and
 - (i) **"U.S. Exchange Act"** means the United States Securities Exchange Act of 1934, as amended.
- 1.1 The Agent may offer and sell the Units to, or for the account or benefit of, persons in the United States and U.S. Persons through the U.S. Affiliate on the terms and subject to the conditions of this Schedule "A". In connection therewith, the Company represents, warrants, covenants and agrees to and with the Agent, as of the date hereof and as of the Closing Date, that:
- (a) the Company is and, as at the Closing Date, will be, a Foreign Issuer and reasonably believes there is no Substantial U.S. Market Interest with respect to the Offered Securities or the Common Shares;
 - (b) the Company is not, and following the application of the proceeds from the sale of the Offering will not be, registered or required to be registered as an "investment company" (as such term is defined in the U.S. Investment Company Act of 1940 as amended) under such Act;
 - (c) except with respect to sales to Qualified Institutional Buyers and U.S. Accredited Investors solicited by the U.S. Affiliate in reliance upon the exemption from registration available under

Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act, none of the Company, its affiliates, or any person acting on any of their behalf (other than the Agent, its affiliates (including the U.S. Affiliate), any members of their selling group or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person; or (ii) any sale of Offered Securities unless, at the time the buy order was or will have been originated, (A) the Purchaser is outside the United States and not a U.S. Person, or (B) the Company, its affiliates, and any person acting on any of their behalf reasonably believes that the Purchaser is outside the United States and not a U.S. Person;

- (d) during the period in which the Units are offered for sale, none of the Company, any of its affiliates or any person acting on any of their behalf (other than the Agent, its affiliates (including the U.S. Affiliate), any members of their selling group or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has engaged or will engage in any Directed Selling Efforts or has taken or will take any action (including the sale of securities into the United States) that would cause the exemption afforded by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act to be unavailable for offers and sales of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons in accordance with this Schedule "A" or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities in Offshore Transactions pursuant to this Agreement and this Schedule "A";
- (e) none of the Company, any of its affiliates or any person acting on any of their behalf (other than the Agent, its affiliates (including the U.S. Affiliate), any members of their selling group or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made), has engaged or will engage in any form of General Solicitation or General Advertising, or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act, with respect to the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;
- (f) none of the Company, any of its affiliates or any person acting on any of their behalf (other than the Agent, its affiliates (including the U.S. Affiliate), any members of their selling group or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or sold, or will offer or sell, for a period commencing 30 days prior to the commencement of the Offering and ending 30 days following the Closing Date, any securities in a manner that would be integrated with the offer and sale of the Offered Securities and would cause (i) the exemption from registration provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act to be unavailable for offers and sales of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons or (ii) the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities outside the United States to non-U.S. Persons;
- (g) none of the Company or any of its predecessors or affiliates has been subject to any order, judgment, or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D;
- (h) none of the Company, its affiliates or any person acting on any of their behalf (other than the Agent, its affiliates (including the U.S. Affiliate), any members of their selling group or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has taken or will take, directly or indirectly, any action in violation of

Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities;

- (i) the Company shall duly prepare and file with the United States Securities and Exchange Commission and any applicable state securities regulatory authorities, within the prescribed time periods, such notices and other documents as are required to be filed under the U.S. Securities Act and state securities laws of the states in which the Offered Securities are sold to satisfy the requirements of applicable exemptions from registration or qualification of the Offered Securities under such laws;
 - (j) with respect to the Offered Securities to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D (the "**Regulation D Securities**"), none of the Company, any of its predecessors, any director, executive officer, other officer of the Company participating in the offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the U.S. Securities Act. The Company has exercised reasonable care to determine (i) the identity of each person that is an Issuer Covered Person; and (ii) whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) of Regulation D, and has furnished to the Agent a copy of any disclosures provided thereunder; and
 - (k) as of the Closing Date, the Company represents that it is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Offered Securities.
- 1.2 The Agent acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and may only be offered and sold to, or for the account or benefit of, persons in the United States and U.S. Persons that are Qualified Institutional Buyers or U.S. Accredited Investors in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and similar exemptions under applicable state securities laws. In addition, until 40 days after the commencement of the Offering of the Units, an offer or sale of the Offered Securities within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements. Accordingly, the Agent represents, warrants, covenants and agrees to and with the Company (and will cause its U.S. Affiliate to comply with such representations, warranties and covenants), as at the date hereof and as at the Closing Date, that:
- (a) it and its U.S. Affiliate have not offered or sold, and will not offer or sell, any Offered Securities (i) to, or for the account or benefit of, persons in the United States or U.S. Persons except to Qualified Institutional Buyers or U.S. Accredited Investors with respect to which the Agent or its U.S. Affiliate has a pre-existing business relationship in transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act, as permitted in this Schedule "A", or (ii) outside of the United States or to non-U.S. Persons except in an Offshore Transaction in accordance with Rule 903 of Regulation S. Accordingly, except as permitted in Schedule "A"

hereof, none of it, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf has engaged or will engage in:

- (i) any offer to sell or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;
 - (ii) any sale of offered Securities to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States and not a U.S. Person, or such Agent, affiliate (including its U.S. Affiliate), or person acting on any of their behalf of either, reasonably believed that such Purchaser was outside the United States and not a U.S. Person; or
 - (iii) any Directed Selling Efforts;
- (b) none of it, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with its offers or sales of the offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;
 - (c) all offers and sales of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons have been and will be effected by or through its U.S. Affiliate and in compliance with all applicable U.S. federal and state broker-dealer requirements. The U.S. Affiliate is and was on the date of all such offers and subsequent sales by the Company duly registered as a broker or dealer under Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales were or will be made (unless exempted from the respective state's broker-dealer registration requirements), and a member in good standing with the Financial Industry Regulatory Authority, Inc.;
 - (d) any offer, or solicitation of an offer to buy Units that has been made or will be made to, or for the account or benefit of, a person in the United States or a U.S. Person was or will be made only to a person it reasonably believes to be a (i) Qualified Institutional Buyer who is acquiring the Units (A) for its own account or (B) for the account of another Qualified Institutional Buyer with respect to which it exercises sole investment discretion, or (ii) U.S. Accredited Investor who is acquiring the Units (A) for its own account or (B) for the account of another U.S. Accredited Investor with respect to which it exercises sole investment discretion, in transactions that are exempt from registration under the U.S. Securities Act pursuant to Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act, and similar exemptions under applicable U.S. state securities laws;
 - (e) all Purchasers of the Units that are, or are acting for the account or benefit of, persons in the United States or U.S. Persons shall be informed that the Offered Securities are being offered and sold to such Purchasers in reliance on an exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act, and in reliance upon similar exemptions from registration under applicable U.S. state securities laws, and that the Offered Securities sold to such persons will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
 - (f) immediately prior to offering the Units to, or for the account or benefit of, a person in the United States or a U.S. Person, the Agent and the U.S. Affiliate had or will have reasonable grounds to believe and did or will believe that such offeree is or was either a Qualified Institutional Buyer or a U.S. Accredited Investor, as applicable, and at the Closing Time, the Agent and its U.S. Affiliate shall have reasonable grounds to believe and shall believe that each

such person who is purchasing Units from the Company is either a Qualified Institutional Buyer or a U.S. Accredited Investor, as applicable;

- (g) offers to sell and solicitations of offers to buy the Units in the United States shall be made pursuant to and in accordance with exemptions from the registration or qualification requirements of all applicable U.S. state securities laws;
- (h) this transaction is not part of a scheme to evade the registration requirements of the U.S. Securities Act;
- (i) it has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Units, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Company. It shall require its U.S. Affiliate and each selling group member appointed by it to agree, for the benefit of the Company, to comply with, and shall ensure that each of its U.S. Affiliate and such selling group member complies with, the same provisions of this Schedule "A" as apply to such Agent as if its U.S. Affiliate and such selling group member was a party to this Agreement;
- (j) it agrees to deliver, through its U.S. Affiliate, to each offeree of the Offered Securities that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person the form of Subscription Agreement, including the U.S. Accredited Investor Certificate or the U.S. Qualified Institutional Buyer Certificate, as applicable. No other written material will be used in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons;
- (k) prior to completion of any sale of Units to, or for the account or benefit of, a person in the United States in the United States or a U.S. Person, each such Purchaser thereof will execute and deliver (i) a U.S. Accredited Investor Certificate substantially in the form of Schedule B – Annex 1 to Subscription Agreements (for U.S. Accredited Investors), or (ii) a U.S. Qualified Institutional Buyer Certificate substantially in the form of Schedule B – Annex 2 to Subscription Agreements (for Qualified Institutional Buyers), and the Agent shall provide such executed U.S. Accredited Investor Certificates and U.S. Qualified Institutional Buyer Certificates to the Company;
- (l) none of the Agent, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the Offering;
- (m) with respect to the Regulation D Securities, it represents that neither it, nor any of its directors, executive officers, other officers participating in the Offering of the Offered Securities, general partners or managing members, or any of the directors, executive officers or other officers participating in the offering of the Offered Securities of any such general partner or managing member (each, a "**Dealer Covered Person**" and, together, "**Dealer Covered Persons**"), is subject to any Disqualification Event except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of the U.S. Securities Act and (ii) a description of which has been furnished in writing to the Company prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the date of any offering of the Offered Securities; and
- (n) As of the Closing Date, the Agent represents that it is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Regulation D Securities.

1.3 The Agent further agrees with the Company that:

- (a) prior to the Closing Date, it will provide the transfer agent and registrar for the Unit Shares and Warrants with a list of all purchasers of the Units that are, or are acting for the account or benefit of, persons in the United States and U.S. Persons;
- (b) if the Agent authorizes any members of its selling group to offer and sell Units to, or for the account or benefit of, persons in the United States or U.S. Persons through its U.S. Affiliate, the Agent will cause each such selling group member to acknowledge in writing, for the benefit of the Company, its agreement to be bound by the provisions of this Schedule "A" in connection with all offers and sales of the Units to, or for the account or benefit of, persons in the United States or U.S. Persons. The Agent has not and will not make any other contractual arrangement for the distribution of the Units to, or for the account or benefit of, persons in the United States or U.S. Persons without the prior written consent of the Company; and
- (c) at the Closing Time it, together with its U.S. Affiliate, will provide a certificate, substantially in the form of Annex "A" relating to the manner of the offer and sale of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons. Failure to provide such a certificate shall constitute a representation by the Agent to the effect that none of it, its affiliates (including U.S. Affiliate), or any person acting on any of their behalf, offered or sold any Units to, or for the account or benefit of, persons in the United States or U.S. Persons.

ANNEX "A"

AGENT'S CERTIFICATE

In connection with the private placement of units (the "**Units**") of Falco Resources Ltd. (the "**Company**") to, or for the account or benefit of, persons in the United States and U.S. Persons pursuant to the agency agreement dated December 20, 2024 between the Company and the Agent named therein (the "**Agency Agreement**"), each of the undersigned does hereby certify as follows:

- I. the Offered Securities have been offered by us for sale by the Company to, or for the account or benefit of, persons in the United States and U.S. Persons only by the U.S. Affiliate which was on the dates of such offers and sales, and is on the date hereof, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act, and under the securities laws of each state in which such offers and sales were made (unless exempted from the respective state's broker-dealer registration requirements) and was and is a member in good standing with the Financial Industry Regulatory Authority, Inc., and all offers and sales of Units to, or for the account or benefit of, persons in the United States and U.S. Persons have been and will be effected by the undersigned U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements;
- II. immediately prior to transmitting the form of Subscription Agreement to offerees that were, or were acting for the account or benefit of, persons in the United States or U.S. Persons, we had reasonable grounds to believe and did believe that each such person was either a Qualified Institutional Buyer or a U.S. Accredited Investor, as applicable, and we continue to believe that each Purchaser that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person that we have arranged to purchase Offered Securities from the Company is either a Qualified Institutional Buyer or a U.S. Accredited Investor, as applicable, on the date hereof;
- III. no form of "general solicitation" or "general advertising" (as those terms are used in Rule 502(c) of Regulation D) was used by us in connection with the offer or sale of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons, including, without limitation, advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
- IV. prior to the offer and sale of any Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person, each such offeree and U.S. Purchaser was provided with a copy of the Subscription Agreement, and no other written material was used by us in connection with the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons;
- V. prior to any sale of Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person that is a Qualified Institutional Buyer, we caused such person to execute a Subscription Agreement in the form agreed to by the Company and the Agent, including the U.S. Qualified Institutional Buyer Certificate attached thereto as Schedule B – Annex 2, and prior to any sale of Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person that is a U.S. Accredited Investor, we caused such person to execute a Subscription Agreement in the form agreed to by the Company and the Agent, including the U.S. Accredited Investor Certificate attached thereto as Schedule B – Annex 1;
- VI. neither we, nor our affiliates nor any person acting on any of our behalf have taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities;

- VII. with respect to the Offered Securities to be offered and sold hereunder in reliance upon Rule 506(b) of Regulation D, none of the Dealer Covered Persons is subject to any Disqualification Event except for a Disqualification Event covered by Rule 506(d)(2) of Regulation D, a description of which has been furnished in writing to the Company prior to the date hereof, or in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date, and we have not paid nor will we pay, nor are we aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons or Issuer Covered Persons) for solicitation of purchasers of the Offered Securities; and
- VIII. the offering of the Offered Securities has been conducted by us in accordance with the terms of the Agreement, including Schedule "A" attached thereto.

Unless otherwise defined, terms used in this certificate have the meanings given to them in the Agency Agreement.

Dated this 20th day of December, 2024.

[NAME OF AGENT]

[NAME OF U.S. AFFILIATE]

By: _____

Name:

Title:

By: _____

Name:

Title: